Program F: W. O. Moss Regional Medical Center

Program Authorization: Act 218 of 1956; Act 753 of 1972; Act 800 of 1990; and Act 3 of 1997

PROGRAM DESCRIPTION

The mission of the W. O. Moss Regional Medical Center is:

1. To provide access to high quality medical care to residents of Louisiana, regardless of income or insurance coverage, and at a level of care appropriate to their medical needs.
2. To maintain facility environments conducive to quality, accredited residency and other health education programs and work cooperatively with Louisiana medical schools and other health education institutions to afford the maximum opportunity for clinical training in the hospitals.
3. To minimize the cost to the State of providing health care to the uninsured by operating its hospitals efficiently, cost effectively, and in accordance with the standards of the hospital industry, and by maintaining a base of patients with third party support, particularly Medicaid.
4. To work cooperatively with other health care programs, providers and groups at the state and community levels in order to maximize the health care resources available to all the citizens of Louisiana.

The goals of W. O. Moss Regional Medical Center are:

1. Prevention: Health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: Integrated health delivery network with internal and external community partners.
3. Performance: Improved management information systems and fiscal accountability.

Walter Olin Moss Regional Medical Center was known as Lake Charles Charity Hospital when it was constructed in 1958 and was renamed in 1978 to honor a pioneering surgeon in the 1920's. The four-story facility started accepting patients in July of 1960. Act 3 of the 1997 Regular Session of the Legislature mandated the establishment of the LSU Health Sciences Center Health Care Services Division of which W.O. Moss is currently a part. The Medical Center serves a five-parish area in Southwest Louisiana, including Beauregard, Calcasieu, Cameron, Jefferson Davis and adjacent parishes.

The facility provides acute and primary general medical and specialty services and critical care to the indigent, uninsured, Medicare, and Medicaid patients of the hospital's service area. The hospital provides additional support functions such as pharmacy, blood bank, respiratory therapy, anesthesiology, and various diagnostic services and other support functions of a non-medical nature, such as administration, maintenance, housekeeping, mail service, purchasing, accounting, and admissions and registration.

As of fiscal year 2000, W.O. Moss has 74-staffed beds with twenty psychiatric beds managed by the Department of Health and Hospitals, Office of Mental Health. In 1997, W.O. Moss entered into a cooperative endeavor with Lake Charles Memorial Hospital to provide obstetrical services. This action benefits both the patients and the public system. The patients benefit from this public/private sector integration being allowed to have pre and post natal care locally as opposed to traveling 60 miles to the nearest public hospital offering obstetrical services. The LSUHSC-HCSD benefits by preventing other LSUHSC hospitals from becoming backlogged with patients referred from W.O. Moss. Most importantly, from a long-term perspective, appropriate care reduces high-risk pregnancies and deliveries. Another similar arrangement has taken place with radiation/oncology services.

Moss now includes health-related education as part of its system. Currently, Moss provides training to students from McNeese State University in the disciplines of nursing, radiology, and dietary services. Clinical experience for graduate nursing students is also provided affiliation with Northwestern State University, McNeese State University, and the University of Texas Medical Branch at Galveston. Training is also provided to students from local Vo-Tech schools, such as Sowela.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To continue to provide professional, quality, acute general medical and specialty services to patients in the hospital and maintain the average length of stay of 5.6 days for patients admitted to the hospital.

Strategic Link: This objective reflects the movement toward the achievement of the 1998-2002 Health Care Services Division (HCSD) Strategic Plan Goal 1: *Implement initiatives to improve effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

Children's Cabinet Link: W.O. Moss Regional Medical Center provides multiple services targeted at the pediatric and adolescent population. Programs, clinics, and services include the Women/Infants/Children Program, KidMed Clinic, ADHD Clinic, General Pediatric Clinic, Sickle Cell Anemia Clinic, and Pediatric Cardiology Clinic. The preceding list may not be all inclusive.

Explanatory Note: W.O. Moss Regional Medical Center is a classified, for comparative purposes, as a non-teaching facility. However, the facility does participate in clinical rotations for nursing students.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of staffed beds [1]	65 [2]	74 [3]	74	54	54	50 [14]
K	Average daily census [4]	Not applicable [5]	42	39	39	42	37 [14]
K	Emergency department visits	38,402 [2]	40,429	41,149	41,149	40,429	35,883 [14]
S	Total outpatient encounters [6]	94,530 [2]	109,228	103,699	103,699	109,228	96,946 [14]
K	Percentage of gross revenue that is outpatient revenue (current year)	Not applicable [5]	55.21%	57.05%	57.05%	55.21%	57.89% [14]
S	Number of staff per patient	Not applicable [5]	6.7	5.8	5.8	6.7	5.0 [14]
S	Average length of stay for inpatients	4.9	5.5	5.3	5.3	5.5	5.5
K	Cost per adjusted discharge [7]	$8,317	$4,875	$4,578	$4,578	$4,875	$4,062 [14]
K	Readmission rate [8]	Not applicable [5]	12.00%	7%	7%	10.5% [9]	10.5%
S	Patient satisfaction survey rating	not applicable [5]	93.0%	Not applicable [10]	76%	85% [11]	85%
K	HCFA accreditation	80%	Not applicable [12]	100% [13]	100%	100%	100%
K	Salaries and benefits as a percent of total operating expenses [7]	46.31%	46.25%	45.08%	45.08%	46.25%	46.25%
S	Percentage change in gross outpatient revenue as a percent of total revenue	Not applicable [5]	-0.40%	1.31%	1.31%	-0.40%	2.28% [14]

[1] Staffed beds are defined as all adult, pediatric, neonatal intensive care unit, intensive care unit, and psychiatric beds set up and in-service for inpatients on a routine basis. Furthermore, staffed beds do not include newborn bassinets.

[2] HCSD had earlier planned to absorb the FY 2000 $40 million budget shortfall entirely in inpatient days. The impact of such a course of action would have been a wholesale reduction in the number of staffed beds, reducing inpatient days, reducing clinic visits and increasing emergency department visits, because of loss of staff. Performance standards shown in the Executive Budget were adjusted in anticipation of this course of action. Since the standards adjustment occurred, HCSD offset $7 million of the losses with efficiencies and gave the medical centers the responsibility for developing contingency plans to allow them to decide how the cuts might best be made. As a result, the performance standards must be re-adjusted because inpatient days, outpatient encounters, and available (staffed) beds are set much too low, given the current situation and will either be impossible to meet or very easy.

[3] This performance indicator was previously reported as "number of available beds." For future reporting years, this performance indicator will be reported as "number of staffed beds." This calculation reflects the number of beds that are set up, staffed, and ready for use.

[4] In order for average daily census to be meaningful, it must be understood in context. Actual daily census can be at can be at or over 100% of staffed beds on some high-demand days, and additional beds (over the average daily census) have traditionally been kept available by all hospitals to deal with unanticipated demand.

[5] This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000.

[6] Total outpatient encounters for FY 1999-2000 was reported as a key performance indicator.

[7] There is great diversity in the level and volume of service provided at medical centers. There is a cost differential inherent in the proportion of primary (non-emergent outpatient care) and secondary services (inpatient services) provided by a hospital. Tertiary services, such as the advanced trauma services provided at MCLNO, add another level of costs that need to be factored in the comparison. Furthermore, six of the nine hospitals under HCSD operation are providing a hospital based medical education, which must also be considered when comparisons for cost per adjusted discharge are made. These factors impact the cost per adjusted discharge and the number of employees per adjusted discharge. Each hospital in the HCSD system should be compared to groups in the nation which are as closely similar as possible in order to get a sense of how well each hospital is functioning. The HCIA 2000 Sourcebook states that the median cost per adjusted discharge for "minor" teaching hospitals is $7,058. Note that the HCIA Sourcebook reflects a standard for 1998, which was adjusted by the medical care inflation rate of 4.3%.

[8] Readmission is defined as total planned and unplanned readmissions for any diagnosis within 32 days.

[9] Readmission rates are calculated by using computerized patient billing records. These records cannot reliably determine readmission rates for same diagnosis. However, readmission for any diagnosis can be accurately obtained, which caused the readmission modification noted above. Therefore, the FY 2000-2001 performance standard is understated at 7%

[10] This performance indicator did not appear under Act 11 and therefore had no performance standard for FY 2000-2001.

[11] HCSD is adopting a performance level that will be consistent through all facilities.

[12] W.O. Moss Medical Center is not currently surveyed by the Joint Commission on Accreditation in Healthcare Organizations, but rather is certified annually by the Health Care Financing Administration. However, W.O. Moss will become Joint Commission accred

[13] The change in performance standard to 100% compliance reflects a change in calculations. The 100% level reflects a pass/fail approach to certification.

[14] Recommended budget level reflects an 11.244% across-the-board cut to accommodate a $72,319,194 cut in UCC and $21,752,331 shortfall in merits and inflation.

2. (KEY) To enroll at least one-third of the eligible diagnosed diabetic, asthmatic, HIV+ and high risk congestive heart failure patients in the Health Care Services Division (HCSD) system into disease management protocols.

Strategic Link: Implements strategic plan goal 1 initiatives: *To improve the effectiveness of health care delivery in the HCSD system by enhancing the preventative and primary care components.*

Explanatory Note: Eligible is defined as having the diagnosis and being compliant with the protocol. High risk congestive heart failure is characterized by admission to the hospital or emergency room with congestive heart failure in the past year.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Patients with covered diseases [1]	Not applicable [2]	2,901	3,452	3,452	2,901	2,901
K	Eligible diagnosed patients enrolled	Not applicable [2]	2,517	1,151	1,151	2,517	1,888

[1] This indicator is critically important to measuring the system's success in implementing the disease management initiative. However, eligibility for the initiative is currently calculated differently by each medical center. An important part of the reason for the new strategic plan is to systematize the hospitals, so that comparisons and, therefore, improvements based on sharing information can occur. One step in this process is to agree on and implement a definition for eligibility for disease management. This will take place in the fiscal year and correct eligibility figures will be available for the next Operational Plan.

[2] This performance indicator did not appear under Act 10 of 1999 and has no performance standard for FY 1999-2000.

[3] The agency indicated that actual yearend performance information for FY 1999-2000 would be available by November 30, 2000.

[4] The agency indicated that "at continuation level" would not be established until actual yearend performance information for FY 1999-2000 is finalized.

3. (SUPPORTING) To assess and take steps to ameliorate over utilized or non-existent services within E.A. Conway catchment area.

Strategic Link: This objective reflects the incremental movement toward the achievement of the 1998-2002 Health Care Services Division Strategic Plan Goal 2: *To implement initiatives to improve coordination with other segments of the Louisiana health care delivery system.*

Explanatory Note: Catchment area is defined as the parishes from which the majority of the hospital's patients are drawn. Catchment areas are as follows: Beauregard, Calcasieu, Cameron, and Jefferson Davis parishes.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Percentage completion of community needs assessment for the hospital catchment area	Not applicable [2]	100%	100%	100%	100%	100%
S	Number of collaborative agreements signed with other health care providers [1]	Not applicable [2]	13	10	10	13	13

[1] Collaborative agreements have been defined as contracts, cooperative endeavors, or affiliation agreements with health care providers (i.e., hospitals, physicians, nurses, allied health providers or agencies) or health-related entities (i.e., schools, state agencies) outside the HCSD system. Providers holding multiple contracts are counted only once.

[2] This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	$0	$0	$107,996	$107,996	$107,996	$0
STATE GENERAL FUND BY:						
Interagency Transfers	26,541,525	25,634,411	25,900,569	26,816,596	22,952,704	(2,947,865)
Fees & Self-gen. Revenues	1,009,917	1,009,917	1,009,917	1,009,917	1,009,917	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	2,062,679	2,062,679	2,062,679	2,062,679	2,062,679	0
TOTAL MEANS OF FINANCING	**$29,614,121**	**$28,707,007**	**$29,081,161**	**$29,997,188**	**$26,133,296**	**($2,947,865)**
EXPENDITURES & REQUEST:						
Salaries	$11,201,169	$10,015,022	$10,015,022	$10,314,337	$9,224,511	($790,511)
Other Compensation	714,533	301,280	301,280	301,280	235,952	(65,328)
Related Benefits	1,876,291	2,022,723	2,022,723	2,082,586	1,889,477	(133,246)
Total Operating Expenses	7,430,426	6,205,678	8,215,014	8,536,441	7,029,629	(1,185,385)
Professional Services	5,779,545	5,643,776	6,158,776	6,343,139	5,962,791	(195,985)
Total Other Charges	2,425,190	4,231,528	2,081,346	2,108,505	1,480,036	(601,310)
Total Acq. & Major Repairs	186,967	287,000	287,000	310,900	310,900	23,900
TOTAL EXPENDITURES AND REQUEST	**$29,614,121**	**$28,707,007**	**$29,081,161**	**$29,997,188**	**$26,133,296**	**($2,947,865)**
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	437	422	428	428	368	(60)
Unclassified	0	0	0	0	0	0
TOTAL	437	422	428	428	368	(60)

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Fees & Self-generated Revenue and Federal Funds. The General Fund represents funding for the dispensing of various outpatient medications which are not reimburseable costs from the Medicaid program. The Interagency Transfers represent Title XIX reimbursement from the Medicaid program for services provided to Medicaid eligible and "free care" patients. The Self-generated Revenue represents insurance and self pay revenues for services provided to patients who are not eligible for "free care". The Federal Funds are derived from Title XVIII, Medicare payments for services provided to Medicare eligible patients.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
$0	**$28,707,007**	**422**	**ACT 11 FISCAL YEAR 2000-2001**
			BA-7 TRANSACTIONS:
$107,996	$346,096	6	BA-7 # 216 approved for the distribution of Disease Management funds and positions
$0	$28,058	0	BA-7 # 254 approved for increase in IAT agreement with the Office for Addictive Disorders for meals provided to patients at the J.R. Briscoe unit
$107,996	**$29,081,161**	**428**	**EXISTING OPERATING BUDGET – December 15, 2000**
$0	$177,811	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
$0	$181,367	0	Classified State Employees Merit Increases for FY 2001-2002
$0	($53,606)	0	Risk Management Adjustment
$0	$310,900	0	Acquisitions & Major Repairs
$0	($287,000)	0	Non-Recurring Acquisitions & Major Repairs
$0	($13)	0	Legislative Auditor Fees
$0	$233,948	0	Salary Base Adjustment
$0	($209,045)	(6)	Attrition Adjustment
$0	($393,236)	(21)	Personnel Reductions
$0	($384,081)	0	Salary Funding from Other Line Items
$0	($2,177,617)	(33)	Other Adjustments - Pro-rata reduction in Uncompensated Care by 9%
$0	($347,293)	0	Other Adjustments - Reduction in Uncompensated Care funding for Operating Expenses
$107,996	**$26,133,296**	**368**	**TOTAL RECOMMENDED**
$0	**$0**	**0**	**LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS**
$107,996	**$26,133,296**	**368**	**BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002**
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
$0	$0	0	None
$0	**$0**	**0**	**TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE**

$107,996 $26,133,296 368 GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 89.9% of the existing operating budget. It represents 79.4% of the total request ($32,908,946) for this program. The overall decrease is a result of Target Dollar cuts to Uncompensated Care funding, a reduction of risk management premiums, and personnel reductions.

PROFESSIONAL SERVICES

$3,884,223	Regional Physicians for physician services
$1,552,698	C & M Medical Services for for emergency room staffing services and day clinic triage
$331,200	Regional Physicians for Cardiology services
$108,160	Lake Charles Area Rehabilitation for Physical Therapy services
$47,520	Dr. Larry Hauskins for Radiation Oncology services
$30,000	Don Arnold for architectural services
$8,000	S. Longo and Associates for Joint Commission on the Accreditation of Healthcare Organizations consultation
$990	Deaf Action Center for interpretation for hearing impaired patients

$5,962,791 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

$18,037	Legislative Auditor expenses
$258,992	Funding for Disease Management initiatives

$277,029 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

$1,019,434	Payments to the Office of Mental Health for operation of the acute Psychiatric inpatient unit
$142,232	Payments to the LSU Medical Center for physician services
$38,543	Payments to the Department of Civil Service
$2,798	Payments for the Comprehensive Public Employees Training Program

$1,203,007 SUB-TOTAL INTERAGENCY TRANSFERS

$1,480,036 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

$310,900 Funding for the replacement of inoperable or obsolete equipment

$310,900 TOTAL ACQUISITIONS AND MAJOR REPAIRS